

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-01 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 SP-02
CIEP-02 LAB-04 SIL-01 OMB-01 DODE-00 PM-04 H-02 L-03
NSC-05 PA-02 PRS-01 SS-15 /114 W
-----012237Z 010204 /67

R 011833Z FEB 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 0157
TREASURY DEPT WASHDC
INFO USMISSION EC BRUSSELS
USMISSION OECD PARIS
USDEL MTN GENEVA

UNCLAS LONDON 01802

PASS TREASURY FOR M. RYSS, EXIM BANK' FEDERAL RESERVE
BOARD

E.O. 11652: N/A
TAGS: EFIN. UK
SUBJECT: ECGD RAISES PREMIUMS

1. IT WAS ANNOUNCED IN COMMONS THAT THE EXPORT CREDIT
GUARANTEE DEPARTMENT'S(ECGD'S) PREMIUMS WOULD INCREASE
SHARPLY THIS APRIL 1.

SHORT-TERM CREDITS WHICH CONSTITUTE 77 PERCENT OF SUP-
PLIERS CREDITS WILL INCREASE ON THE AVERAGE 0.08 POUNDS
PER 100 POUND INSURED (8P/100) TO BRING THE PREMIUM TO AN
AVERAGE 32 P/100. EXTENDED TERM BUSINESS, ON CREDIT UP TO
5 YEARS, WILL INCREASE AN AVERAGE 10P/100 TO 83P/100.
FOR U.K. FIRMS HANDLING FOREIGN GOODS THE AVERAGE IN-
CREASE WILL BE 15P/100 TO STAND AT 65P/100.

WITH RESPECT TO BANK FINANCE GUARANTEES THE CHARGE
FOR THE COMPREHENSIVE GUARANTEE, ON UP TO TWO YEARS'
CREDIT, WILL INCREASE FROM 12-1/2O/100. TO 15P/100, WHILE
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THAT FOR SPECIFIC GUARANTEES, ON CREDIT FOR MORE THAN TWO
YEARS. THE MAXIMUM PREMIUM WILL RISE FROM 25P/100 TO
32P/100.

PROJECT BUSINESS CHARGES. THAT IS FOR BUYER CREDIT
GUARANTEES AND SPECIFIC GUARANTEES FOR SUPPLIERS CREDIT
ON CAPITAL GOODS CONTRACTS, WILL INCREASE BY 10 PERCENT

2. THE INCREASE IN PREMIUMS FOLLOWS ON A RISE IN CLAIMS
IN THE YEAR ENDED MARCH 1976 WHICH HAD REDUCED ITS RATIO
OF RESERVES TO TOTAL AMOUNT AT RISK TO 2.4 PERCENT FROM
2.8 PERCENT THE YEAR BEFORE. ECGD WISHES TO HOLD THIS
RATIO ABOVE 3 PERCENT.

SPIERS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Sent Date: 01-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770036-0211
Format: TEL
From: LONDON
Handling Restrictions: n/a
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Litigation Codes:
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Review Withdrawn Fields: n/a
SAS ID: 3442315
Secure: OPEN
Status: NATIVE
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TAGS: EFIN, UK, ECGD
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